

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

DOCKET NO. R97-1

**INTERROGATORIES OF UNITED PARCEL SERVICE
TO DOW JONES & COMPANY WITNESS SHEW
(UPS/DJ-T1-1 through 4)**

(January 15, 1998)

Pursuant to the Commission's Special Rules of Practice, United Parcel Service hereby serves the following interrogatories and request for production of documents directed to Dow Jones & Company witness Shew (UPS/DJ-T1-1 through 4).

Respectfully submitted,



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**INTERROGATORIES FROM UNITED PARCEL SERVICE
TO DOW JONES & COMPANY WITNESS SHEW**

UPS/DJ-T1-1. (a) Please confirm that the costs for postal employees not handling mail are primarily for one of three activities: moving empty equipment, breaks/personal needs, and clocking in/clocking out. If not confirmed, please explain.

(b) Please explain how the costs associated with these three activities "may not be a legitimate cost of *any* service" (page 22, line 9, of your testimony) (emphasis supplied).

UPS/DJ-T1-2. You state that "For the CPP [Cost Pool Proportionality] assumption to be correct, the cost of mixed mail and of staff not handling mail in any one cost pool must be (a) unrelated in any informative way to the activities in any other cost pool and (b) distributed identically to the documented costs within the cost pool" (page 25, lines 7-11, of your testimony).

(a) If the cost of mixed mail and of staff not handling mail in any one cost pool were more related to the costs of direct mail in that cost pool than to direct mail in all cost pools, would not the CPP assumption be an improvement over the existing Postal Service LIOCATT system? If you disagree, please explain.

(b) If the cost of mixed mail and of staff not handling mail in any one cost pool were distributed more like the costs of direct mail in that cost pool than like direct mail in all cost pools, would not the CPP assumption be an improvement over the existing Postal Service LIOCATT system? If you disagree, please explain.

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(c) Is it not possible for the CPP assumption to be an improvement over the existing assumptions inherent in the Postal Service LIOCATT system without the CPP being a perfect assumption? If you disagree, please explain.

UPS/DJ-T1-3 Please confirm that the testing regime you describe on pages 26-27 of your testimony could not have been performed with existing data and that a special study would need to be performed. If not confirmed, please explain.

UPS/DJ-T1-4 Please refer to page 26, lines 17-18 of your testimony, where you state that "the proportion of employees found not handling mail should systematically fall as output (e.g., total pieces handled) rises towards its peak."

(a) Would you expect the proportion of employees "moving empty equipment" (Activity Code 6523, a component of not handling mail) to systematically fall as output rises? Please explain your answer, making reference to Postal Service operating procedures if necessary.

(b) Would you expect the proportion of employees on "break/personal needs" (Activity Code 6521, a component of not handling mail) to systematically fall as output rises? Please explain your answer, making reference to Postal Service operating procedures if necessary.

(c) Would you expect the proportion of employees "clocking in or clocking out" (Activity Code 6522, a component of not handling mail) to systematically

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fall as output rises? Please explain your answer, making reference to Postal Service operating procedures if necessary.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in
accordance with section 12 of the Commission's Rules of Practice.


Stephanie Richman

Dated: January 15, 1998
Philadelphia, PA